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Record year for Koelnmesse in 2017: Record turnover and profits in the double-digit million range

**Basis for investment in the future of the trade fair location
Trade fair CEO Böse aiming for €400 million mark**

Koelnmesse celebrates top year: “2017 was an absolutely successful year in which we achieved and even exceeded our ambitious growth targets,” was how Cologne’s trade fair CEO Gerald Böse summed up the results. More specifically, turnover of €357.9 million, more than €29 million higher than planned and more than €36 million above that of 2015, the previous record year. On top of that, earnings before interest, taxes, depreciation and amortization (EBITDA) amounted to €55.2 million and profits were €27.3 million, also exceeding our plans by more than €7 million. Henriette Reker, Mayor of the City of Cologne and chairman of the Supervisory Board of Koelnmesse added: “The ambitious plans of Koelnmesse are maintaining their stable economic foundation” – for important investments in the future of the trade fair location among other things.

One important factor behind the good result is the above-average development of a number of own events and guest events in Cologne and in the most important markets worldwide as well as of the services business. In 2017, over 43,000 exhibiting firms from 119 countries participated in 82 trade fairs and exhibitions, which were attended by more than 2.1 million visitors from 218 countries. Germany was host to 27 of Koelnmesse’s own trade fairs, 23 guest events and four special events including the first-ever art berlin. A further 28 trade fairs were held outside Germany.

Digitalization as the basis for future business

“Digitalization is the topic of our times,” said trade fair CEO Gerald Böse. “We are focussing on the digital transformation as the basis of new business models in a number of ways”. Koelnmesse will invest over €50 million in digitalization by 2022 – as part of the Koelnmesse 3.0 investment programme, for innovative digital services such as the furnishings platform ambista and for the creation of a state-of-the-art IT infrastructure for optimal business processes. “In future, this will be the only way to keep our most important promise to our customers: We energize your business”.

Excellent growth in trade fairs and events

In 2017, a large number of Cologne-based events for which Koelnmesse is responsible produced convincing values for the three key performance indicators in the trade fair sector – exhibitors, visitors and stand area. Particularly successful were interzum, the international trade fair for suppliers to the furniture production

and interior design industry, which showed consistent double-digit growth (exhibitors: +12.4%, visitors: +18.5%, stand area: +12.6%) and the International Dental Show IDS, which also demonstrated growth in all three parameters (exhibitors: +5%, visitors: +5%, stand area: +3%). Significant growth in exhibitors compared to the previous event was also shown by FSB (+8.4%), dmexco (+8.2%) and imm cologne (8.1%), among others. Visitor growth compared to the previous event was achieved by Anuga (+4%) and gamescom (+2.5%). With respect to exhibitor stand area, Kind + Jugend (+7.3%), among others, grew substantially. In 2017 the turnover of the trade fairs in Cologne increased by around 13% on average compared to the respective preceding events.

Outbound trade fairs such as Pueri Expo and FIT 0/16 in São Paulo/Brazil, Annapoorna - World of Food India in Mumbai/India and THAIFEX - World of Food Asia in Bangkok/Thailand were also distinguished by significant growth in exhibitors and (trade) visitors.

New records with subsidiary Koelnmesse Ausstellungen GmbH

Koelnmesse Ausstellungen GmbH, which is responsible for the guest event business, also achieved new records for turnover and profit in 2017. Thanks to very successful events and premieres such as RETRO CLASSICS COLOGNE, the wholly owned subsidiary of Koelnmesse posted a turnover of €17.9 million and a profit of €8.0 million. Once again it made a major contribution to the consolidated companies' profits.

Koelnmesse 3.0: First new building project already in operation

The Koelnmesse 3.0 investment programme, which will have a total volume of more than €600 million up until the year 2030 is proceeding well. The first stage of construction of the new multi-storey car park at the Zoobrücke was first used for dmexco 2017. It provides 2,000 parking spaces and a logistics area for over 300 trucks. The next new building project to start will be the Hall 1plus. It can be used purely as a conference venue or alternatively as an exhibition hall with an area of up to 10,000 m². Moreover, the plans are being finalized for the CONFEX®, the new multi-purpose event location, which will draw additional high-calibre congresses and corporate events to Cologne. Various modernization projects such as the initial refurbishment beneath the halls and of the sanitary facilities have already been carried out.

Internationalization remains the focus

Business activity abroad was weaker in 2017 compared to 2016 due to the normal trade fair rotation. Nonetheless, Koelnmesse's long-term internationalization strategy continues to be successful. Business outside of Germany generated a pre-consolidation turnover of €33.2 million (2016: €38.1 million), accounting for 9% of the total turnover. In addition to focusing on China, Southeast Asia and India, Koelnmesse has intensified its international activities in South America, especially in Brazil, with four events, and Colombia, with one.

Successful premieres in Germany and abroad

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ProFood Tech in Chicago/USA, the WellFood Ingredients Summit in São Paulo/Brazil and the Hardware Forum in Milan/Italy all celebrated their premieres in 2017. IDEC - Indonesia Dentistry Exhibition & Conference in Jakarta/Indonesia, EmTech HONG KONG in Hong Kong/China and the KRUSHIK Exhibition in Pune/Maharashtra/India where held as part of the Koelnmesse portfolio for the first time. At the Cologne location, the Digital Interior Day innovation conference was held for the first time. In Berlin, Koelnmesse organized art berlin for the first time.

Koelnmesse to organize the German Pavilion at EXPO Dubai 2020

In 2017 Germany's Federal Ministry for Economic Affairs commissioned the company to organize and operate the German Pavilion at the world exposition in Dubai from October 2020 to April 2021. This means that Koelnmesse will have been involved in three of the century's four major EXPOs to date, with the other two being the expos in Japan in 2005 and in China in 2010. The selection of the drafts for the design and construction of the German Pavilion are already underway as part of the preparations for the event.

Convincing forecast – €400-million mark in sight

Koelnmesse plans to continue its course of sustained growth and thus be able to continue making investments in its infrastructure and events through its own financial strength. Provided that global economic development remains stable, the company plans to achieve average annual profits in the double-digit million range until 2022 and to regularly post a turnover of more than €300 million each year.

The first events of 2018 confirm Koelnmesse is on course for growth and the indicators for the future programme are also consistently positive. In 2018 Koelnmesse plans to hold 26 events for which it is responsible in Cologne and at other locations in Germany as well as 28 trade fairs abroad. THE TIRE COLOGNE will celebrate its premiere in Cologne. ZOW in Bad Salzuflen and the Feria Mueble & Madera in Bogotá/Columbia will take place in the Koelnmesse portfolio for the first time.

“€400 million turnover is in sight and is our declared stage target,” said trade fair CEO Böse as he laid down a medium-term target for the odd-numbered years. “We will continue to act with a sense of proportion against the global economic background and threatening trade wars, but also with an eye on the local environment, where we could run into limits imposed by factors such as transport infrastructure, threatened diesel bans or the availability of hotel rooms.”